From: Neugeboren, Steven
To: Wehling, Carrie; Parikh, Pooja

Cc: <u>Darman, Leslie</u>

Subject: Re: FYI: CA UIC enforcement action stalled due to aquifer exemption uncertainty

Date: Monday, June 30, 2014 12:46:52 PM

Interesting. Thanks. Since the 3rd floor is engaged could you pls send a note the FO. Thanks.

Steve Neugeboren

Associate General Counsel

Water Law Office

Environmental Protection Agency

202-564-5488

From: Wehling, Carrie

Sent: Monday, June 30, 2014 12:41:07 PM **To:** Parikh, Pooja; Neugeboren, Steven

Cc: Darman, Leslie

Subject: FYI: CA UIC enforcement action stalled due to aquifer exemption uncertainty

This is just a heads up at this point. I'm still trying to get all the details about this, but this has already gone up to the Administrator's office (Lisa Feldt) so thought I would share what I know at this point

Apparently, Cal. was about to issue a high-profile series of emergency cease-and-desist orders to a large number of Class 2 operators discharging into an aquifer being used for drinking water when someone found an old letter suggesting that EPA had approved at least some of the aquifer as an aquifer exemption. So the enforcement actions have been delayed while folks try to figure out what the facts are. Of course, no one at EPA has any records relating to the aquifer exemption so not clear whether it was actually approved and if so for what area......

Will let you know more when I hear back from R9.

Thanks.

Carrie

Caroline (Carrie) Wehling

Office of General Counsel

Water Law Office -- SDWA team leader

Cross-Cutting Issues Law Office -- Administrative records and dockets

U.S. Environmental Protection Agency

Washington DC 20460

202-564-5492

wehling.carrie@epa.gov

From: Busterud, Gretchen

Sent: Saturday, June 28, 2014 3:06 PM

To: Wehling, Carrie

Subject: FW: update from CA on UIC enforcement

FYI

Gretchen Busterud

General Law Section Chief Office of Regional Counsel

U.S. EPA, Region 9

75 Hawthorne Street San Francisco, CA 94105 (415) 972-3903

busterud.gretchen@epa.gov

This email, including attachments, may contain information that is confidential and/or protected by the Attorney-Client or other privileges.

From: Grevatt, Peter

Sent: Friday, June 27, 2014 6:53 PM **To:** Diamond, Jane; Clark, Becki

Cc: Bergman, Ronald; Green, Holly; Corr, Elizabeth; Lopez-Carbo, Maria; Albright, David; Strauss, Alexis; Montgomery, Michael; Moffatt, Brett; Dermer, Michael; Engelman, Alexa; Quast, Sylvia;

Busterud, Gretchen; Keener, Bill; Gilinsky, Ellen **Subject:** Re: update from CA on UIC enforcement

Thanks for the helpful update Jane. Talk to you on Monday!

From: Diamond, Jane

Sent: Friday, June 27, 2014 7:39:19 PM

To: Grevatt, Peter; Clark, Becki

Cc: Bergman, Ronald; Green, Holly; Corr, Elizabeth; Lopez-Carbo, Maria; Albright, David; Strauss, Alexis; Montgomery, Michael; Moffatt, Brett; Dermer, Michael; Engelman, Alexa; Quast, Sylvia;

Busterud, Gretchen; Keener, Bill; Gilinsky, Ellen **Subject:** update from CA on UIC enforcement

Here's the update we got from CA today on their enforcement and other plans to follow up on the UIC/Aquifer Exemption issues. Please circulate this to others in HQ you want to have the info. We have a call scheduled with you on June 30 at 10:30 PDT to discuss.

In light of the 5/17/85 EPA memo shared yesterday, CA's top focus is now on 11 injection wells which are injecting into 2 non-hydrocarbon formations of less than 3000 ppm TDS. Use of these 2 formations pre-dated primacy, but the formations were not included in the primacy application nor presented since for aquifer exemptions, so they have never been exempted. There are 7 operators involved, all small except McPherson. CA is planning to serve emergency orders on them as early as Tuesday, but is going to regroup on Monday to make sure they have fully considered all the available info about the injection wells, proximity of drinking water wells, etc. They will update us on Monday about their plans.

Orders are on hold for the other 94 injection wells they have been evaluating, which are also injecting into formations of less than 3000 ppm TDS, but for which there are conflicting accounts of the aquifer exemption status. CA is close to finishing a review of 264 water wells in/near these formations, which will inform public safety considerations and influence the timing of their next steps on these wells. Our initial evaluation of the 5/17/85 letter and other records have provided some possible explanations for how 11 formations explicitly not approved in the 1982 MOA and 1983 primacy may have become later misrepresented as approved, but we are still exploring. CA is committed to doing a comprehensive review of its Class II UIC program, with the goal of working with EPA to update everything and make needed corrections (what we call a program revision). They will have a timeline to share with us soon and will pick up the conversations we'd been having together before they diverted their attention to developing these orders.

Jane Diamond Water Director, EPA Region 9

415-947-8707

From: Grevatt, Peter

Sent: Friday, June 27, 2014 4:04 AM



From: Diamond, Jane

Sent: Thursday, June 26, 2014 8:27:34 PM

To: Feldt, Lisa; Grevatt, Peter; Stoner, Nancy; Strauss, Alexis; Blumenfeld, Jared

Cc: Loop, Travis; Kopocis, Ken; Lopez-Carbo, Maria; Gilinsky, Ellen; Shapiro, Mike; Keener, Bill; Clark, Becki; Lopez-Carbo, Maria; Bergman, Ronald; Montgomery, Michael; Albright, David; Roberts, Martha; Quast, Sylvia; Busterud, Gretchen; Moffatt, Brett; Dermer, Michele; Engelman, Alexa **Subject:** Just heard from CA that they have found EPA correspondence authorizing aquifer

exemptions

While we were getting an update from the CA Dept of Oil, Gas and Geothermal Resources by phone this afternoon, DOGGR got a call from its district office reporting discovery of a 5/17/85 letter from EPA R9 approving a set of aquifer exemptions, including aquifers currently believed to be less than 3000 ppm TDS and to meet the definition of a USDW. These aquifers appear to include the locations of 107 injection wells for which CA has been preparing to issue orders requiring cessation of injection. The info hadn't yet been shared among the CA agencies and Governor's office, but the expectation is that this news puts on hold the State's plans to serve orders on 15 operators on Monday.

We just received the following links to the document (it exceeded Outlook 25 MB file size limit) and will be reviewing.

We will stay in touch with CA re their plans and keep everyone posted on developments.

To the folder: ftp://ftp.consrv.ca.gov/pub/oil/EPA/

To the file: ftp://ftp.consrv.ca.gov/pub/oil/EPA/USEPA%20Non-Oil%20Exempted%20Aquifers.pdf



From: Grevatt, Peter

Sent: Thursday, June 26, 2014 2:55 PM

To: Feldt, Lisa; Stoner, Nancy

Cc: Loop, Travis; Kopocis, Ken; Lopez-Carbo, Maria; Gilinsky, Ellen; Shapiro, Mike; Diamond, Jane;

Strauss, Alexis; Keener, Bill; Clark, Becki; Lopez-Carbo, Maria; Bergman, Ronald

Subject: RE: Region 9 update of California UIC issue

Lisa and Nancy, I spoke with Jane Diamond this afternoon and she will be getting an update from the state later today. The information they have at present fortunately still seems to suggest that the public water supply wells have not been adversely impacted by the operations, but there is likely more work to be done there. The Region would be happy to do a call tomorrow to give an update on timing for the state's orders, the likely reaction from the companies and impacted communities as well as to discuss questions that we might need to be prepared to respond to regarding the national program. Please let us know how you would like to proceed on this. Thanks, P.G.

From: Loop, Travis

Sent: Wednesday, June 25, 2014 9:11 AM

To: Stoner, Nancy; Kopocis, Ken; Grevatt, Peter; Lopez-Carbo, Maria; Gilinsky, Ellen; Shapiro, Mike

Subject: Fw: Region 9 update of California UIC issue

FYI heads-up on this situation

Travis Loop
Director of Communications
Office of Water
U.S. Environmental Protection Agency
202-870-6922

From: Keener, Bill

Sent: Tuesday, June 24, 2014 7:47:16 PM

To: Johnson, Alisha; Loop, Travis

Cc: Zito, Kelly

Subject: Region 9 update of California UIC issue

Sorry this has to be so brief, but we are running here...

We had a conference call with a multitude of State officials this afternoon, with Jared, DRA Alexis Strauss, and our cast of thousands.

Essentially, the state is still trying to get its arms around the magnitude of the problem. The one troubling new development is that they have found that of the 107 injection wells in this section of Kern County, all of which apparently discharge into a potential drinking water aquifer, at least 1 or 2 overlap fairly closely with active drinking/irrigation water wells. They don't think anyone drinking water that exceeds MCLs – but more work, and sampling, will have to be done. The fact that they still don't know a lot means they may have to push back their cease & desist orders to the oil companies until Monday, to give the state more time to research the records.

I am now in touch with the state's comms people. We suggested that we immediately work on a factsheet about all of this – and they are already working on it, and will send us a draft soon. We suggested that when this goes public they put the factsheet online, and keep it updated. Jared mentioned that we will have to alert our Congressional delegation – specifically Boxer, Feinstein and Kevin McCarthy. We will contact OCIR.

More later,

Bill Keener

Office of Public Affairs U.S. EPA - Region 9 San Francisco, CA

Phone: (415) 972-3940